THE HON'BLE SRI JUSTICE L. NARASIMHA REDDY

W.P.NO.10591 OF 2006

Date: 31.05.2006

Between:

Vasamsetti Appa Rao & others

…. Petitioners

and

The Commissioner, Endowments Department, Hyderabad

& others.

… Respondents.

O R D E R:

The petitioners are said to have been granted leases over small extents of open site belonging to the third respondent chowltry, through individual lease deeds, dated 15.03.1999. The leases were to be in force for a period of three years. There is a provision for renewal. The petitioners state that as provided for under the leases, they have constructed the premises and have been doing petty businesses.

The petitioners state that after expiry of initial period of three years, they were permitted to stay for a further term of three years and thereafter consent was solicited for further extension. According to them, the proposal for extension of the leases in favour of the petitioners beyond the extended term are pending with the second respondent.

The petitioners contend that in the recent past, there was a change in the management of the third respondent and all of them were issued notices of eviction. They challenge the action of the third respondent.

Heard the learned counsel for the petitioners, the learned Government Pleader for Endowments and the learned counsel for the third respondent, who filed caveat.

It is true that the induction of the petitioners into the property in question was through individual lease deeds and there existed a provision for renewal. Though the petitioners are not able to place any documents in relation to the first renewal, having regard to the lapse of time, that question becomes almost absolute. The controversy is as to the right of the petitioners to continue

beyond the 2nd term of three years.

On behalf of the third respondent, a letter, dated 07.11.2004, was addressed to the petitioners, soliciting their consent for extension of the leases on enhanced rent. However, this proposal did not materialize into any concluded contract or extension of lease. From a perusal of the notice, dated 17.05.2006, issued on behalf of the third respondent, it is evident that they intend to bring about new construction in the place of the existing premises under the occupation of the petitioners. Such a step cannot be interdicted, particularly when there does not exist any subsisting lease in favour of the petitioners. In case, the third respondent intends to lease out the same premises in the existing or altered condition, the rights of the petitioners deserve to be protected. On the other hand, if the premises are sought to be put to any non-commercial use, the right of the third respondent in this regard, cannot be interfered with.

For the foregoing reasons, the writ petition is disposed of directing that;

a. in case the third respondent intends to alter or replace the existing constructions, in which the petitioners are carrying on the business, the petitioners shall be liable to vacate the same within six weeks from the date of communication of the decision in this regard;

b. if the premises in their existing or altered form are sought to be leased out for commercial purposes, such leases shall be granted, after conducting public auction. In case, the petitioners express their willingness to pay the amount, representing the highest bid in the public auction, they shall be granted fresh leases.

c. there shall be no order as to costs.

31.05.2006

ksld